

Utah State Building Board



MEETING

July 6, 2000

MINUTES

Utah State Building Board Members in attendance:

David Adams, Chair
Keith Stepan, Vice Chair
R. Haze Hunter
Joseph Jenkins

Utah State Building Board Members excused:

Kay Waxman
Chuck Canfield
Lynne Ward (Ex-Officio)

DFCM and Guests in attendance:

Richard E. Byfield, AIA	Division of Facilities Construction & Management
Robert Woodhead	Division of Facilities Construction & Management
Jack Quintana	Division of Facilities Construction & Management
Alan Bachman	Division of Facilities Construction & Management
Ken Nye	Division of Facilities Construction & Management
Kent Beers	Division of Facilities Construction & Management
Blake Court	Division of Facilities Construction & Management
Shannon Lofgreen	Division of Facilities Construction & Management
Kevin Walthers	Legislative Fiscal Analyst Office
Scott Green	Governor's Office of Planning and Budget
Randa Bezzant	Governor's Office of Planning and Budget
Leslie Marks	Legislative Auditors
Ivan Djambon	Legislative Auditors
Doug Wright	Department of Corrections
Gary Adams	Department of Workforce Services
Lynn Samsel	Department of Human Services
Bart Hopkin	Department of Human Services
Richard Jones	Uintah Basin ATC
John M. Dennis	Ogden/Weber ATC
Brent Wallis	Ogden/Weber ATC
Kerry Smith	Ogden/Weber ATC
Collette Mercier	Ogden/Weber ATC

Randy Upton	Utah State Office of Education
Rob Brems	Utah State Office of Education
Darrell Hart	Utah State University
Dave Cowley	Utah State University
Randy Turpin	University of Utah
John Huish	University of Utah
Michael Reid	Southern Utah University
Lt. Col. Peter K. Wilson	Utah National Guard
Donna Dahl	Fairpark
Bob Askerlund	Salt Lake Community College
Ned Carnahan	Dixie College
Jonathan Richards	Richards Consultants
Bill Juszczak	Utah Department of Transportation
Representative Gerry Adair	Utah House of Representatives

On Thursday, July 6, 2000, a regularly scheduled Utah State Building Board monthly meeting was held at the State Office Building Auditorium, Salt Lake City, Utah. Chairman David Adams called the meeting to order at 8:38 a.m.

Chairman Adams introduced Randa Bezzant as the new appointee of the Governor's Office of Planning and Budget. Ms. Bezzant will replace the position previously held by Mr. Dan Olsen.

☐ APPROVAL OF MINUTES.....

MOTION: Haze Hunter moved to approve the minutes of May 18, 2000. The motion was seconded by Keith Stepan and passed unanimously.

☐ POLICY FOR DEVELOPING CAPITAL BUDGET RECOMMENDATIONS

Richard Byfield commented DFCM staff has attempted to summarize the conversations throughout the last several Board meetings in order to provide agencies information to enable them to understand the decision making process for the October hearings. He proceeded with an overview of the recommendations proposed for adoption.

Mr. Byfield indicated the importance of developing a definition for standard buildings to identify those buildings constructed in the most economical and effective manner using standardized construction materials. Non-standard buildings would pertain to specialized projects where the design is more constrained.

Mr. Byfield continued explaining that the Board will encourage agencies and institutions to submit recommendations pertaining to the prioritization of capital development projects, but

asked that they also acknowledge that the Board will not be bound to those priority recommendations. The Board is obligated, by statute, to develop their own recommendations when prioritizing capital development projects.

Mr. Byfield emphasized the need to identify more project needs and requested that agencies and institutions submit capital development projects that reflect their program needs for the upcoming five-year period. DFCM will provide information and recommendations to the Building Board on projects to be reviewed during the current year and identify which projects will be addressed over the five-year period.

Mr. Byfield addressed the need for the Board to consider utilizing requests to develop a programming fund on proposed projects with the understanding that the planning fund will be reimbursed once the project receives funding.

Mr. Byfield reviewed the following proposed project ranking categories for future use in the capital development process as catastrophic need, critical need, urgent need, important need, and future need. He clarified DFCM staff perspective indicates a catastrophic project would be identified as a project that is caused by an extraordinary event. The number of the projects to arrive in this category would be very minimal. The future need category would be used for each agency to predict the Building Board's list of projects for development of the five-year book.

Mr. Byfield asked Board members to help ratify and correct the policy to aid in understanding the sentiment of the criteria the Building Board will be trying to evaluate projects for approval in October.

Chairman Adams affirmed the Board had previously approved the priority of consideration for the FY2002 capital budget as capital improvement funding; development projects partially funded in the prior year; replacement/renovation projects; and projects including new space including new buildings. Chairman Adams indicated the Board had moved to adopt the language at the last meeting.

Chairman Adams proposed the Board consider further definition on the category of new space, including new buildings. He felt that the partially funded development project priority and the replacement/renovation priority would be more cost effective if new square footage could be considered in those categories.

Joe Jenkins expressed confusion on the priorities and questioned if the priority pertaining to capital improvement funding would include maintenance, renovations, repair, and alterations of facilities. Richard Byfield commented it was possible to include new space, however it

would need to be very modest as everything over \$250,000 requires legislative approval and this would not be the best approach to construct new space.

Joe Jenkins also asked for clarification on development projects partially funded last year and if new buildings could be considered if they had not been previously addressed. Mr. Jenkins did not feel these buildings could be considered in a new building category.

In the replacement/renovation projects priority, Mr. Jenkins questioned if this included new space or renovation and replacement of existing facilities. He considered new space projects where the building must be demolished or is not utilized and would replace existing facilities rather than new buildings attributed to growth. He felt the priority of projects adding new space would be for those agencies and institutions expressing a demonstrated need for adding new space based on growth. The agency would be required to demonstrate the need to the Building Board as to how growth has taken place and why the new buildings are necessary. He felt most of these needs would be demonstrated by Higher Education.

Richard Byfield commented on the complications of the proposed priorities of replacement/renovation projects and projects adding new space due to the need to renovate space in order to accommodate sufficient needs to meet the programs needs. Before new space can be added, the Board may forgo some marginal space requirements in terms of rehabilitation.

Mr. Byfield explained that when the Board addresses capital improvement funding in May, the development of projects partially funded are addressed in the prior year and appear before the Building Board as a matter of keeping the project continuous. The previous priorities could be combined as they only differ due to the definition of identifying the most appropriate program and needs statement to warrant the project. Mr. Byfield had a concern with rehabilitating projects before granting new space and waiving projects with more critical needs. Chairman Adams agreed given the deferred maintenance backlog and the amount of buildings that are over fifty years old that might be better suited for replacement rather than new construction. The Board may have a tendency to place those projects in the priority category of adding new space.

Joe Jenkins assumed the priority referring to new space would include the addition of all new space attributed to growth and not renovated space where existing buildings have either deteriorated or passed their useful life and need to be demolished or have an addition. Chairman Adams questioned if the Cowles Building or Gardner Hall would fall into the replacement/renovation project priority as they added significant new space in the renovation. Mr. Jenkins affirmed as they did replace existing facilities. Chairman Adams wished to clarify

the intention of the Board regarding new space and adding space economically during major renovations of existing buildings.

Kenneth Nye commented the priority order of the categories should not be construed to mean that all requests in one category must be recommended before any request in a lower priority category would be considered. DFCM understood the Board would view the highest concern as the capital improvements and then consider the projects the Legislature partially funded in the previous year before renovating and replacing building requests. The priority order of the categories did not mean that no new space request could be considered until all requested renovation projects were recommended and funded. Mr. Nye noted that several years ago, the Board had a similar concern about the condition of existing buildings which was resolved by requiring entities seeking consideration to request a renovation project rather than a new space project. He felt that this had resulted in some projects being funded just because they were renovations as opposed to being justified by need.

Vice-Chair Keith Stepan felt the statement gave the Board flexibility to approve new space in replacement and renovation while addressing new space in terms of growth. Kent Beers noted the replacement/renovation priority could include the addition of some new space if found economical so as not to preclude it by including it in the new space priority.

Joe Jenkins suggested adding the caveat that the new space priority would only include new buildings that occur because of new growth. Keith Stepan indicated the recommendation did identify the addition of new space would be supported where a critical need existed as demonstrated by the growth in programs and services. The definition of new growth would be addressed in a discussion held at a later time when the issue arises.

Kent Beers proceeded to discuss the proposed categorization recommended by Kevin Walthers. Mr. Beers stated there was some apprehension at the use of the word catastrophic and he asked the Board to consider using emergency instead to identify a rare situation not normally considered as a funding item. Chairman Adams felt the word catastrophic may be misconstrued as an overstatement and viewed by some as unnecessary and opted to reword the category to emergency.

Joe Jenkins commented the definition needed to identify a project creating an emergency need. He referenced the Utah State University Heating Plant losing a boiler being an emergency or catastrophic need. Kent Beers commented the project had the potential to become catastrophic if action was not taken quickly. The need should have been addressed previously, but had been delayed to the point where the need was immediate due to the potential financial risk. Mr. Beers clarified this category would identify a rare project where there is failure in the system creating an emergency need.

Lynne Ward had previously suggested that a numerical identification be included with the verbal description for each category. Kenneth Nye questioned if the Board intended to rank each project within each category, and encouraged the Board to rank the projects within the categories as guidance for recommendations and the five-year plan. Joe Jenkins determined this was a separate issue and wished for the Board to address the categories before resolving. Chairman Adams felt this was a critical issue if no additional funding was made available for projects until they reached emergency status. He agreed to postpone addressing ranking projects at a later time.

Joe Jenkins questioned how to identify critical and urgent need buildings. Kent Beers responded that as various factors begin to compound and are totaled, it would identify whether it was critical or urgent need. Kenneth Nye responded it would be based on the degree of severity on the code issues to be factored as well.

Joe Jenkins commented the projects in the critical need category would require immediate action to return the facility to normal operation; halt rapid deterioration; or correct a cited safety hazard. He questioned if all projects would be categorized as a critical need and if five categories were needed. Kent Beers reiterated there would be several factors in the equation to be compared against all requests. He commented it would include staff recommendation to make the determination of project categorization.

Chairman Adams questioned how staff would determine the difference between emergency and critical need and hoped for the Board to be able to modify the categories and requested further definition. Kent Beers confirmed DFCM would be capable of supplying the Board with significant information to assist with making determinations.

Raylene Ireland inquired if the categories would be used in an informal way as the Building Board makes its consideration of staff or would the categorization be formally attached to the project as the project is deliberated. Chairman Adams responded that given the categorization is a product of the legislative and the executive branch, he suggested taking the definitions from the Board's recommendation to the Governor and to the Legislature. Ms. Ireland was apprehensive because the Department of Administrative Services has a dual perspective where it houses DFCM and Risk Management. She had never seen a legislative session where the funding could be encompassed to address the funding for all of the repairs that were urgently or critically needed. She was concerned to have some of the categories used and then have the projects unable to be addressed financially. This would cause difficulties because a project had been placed in a particular category causing liabilities.

Chairman Adams requested the Board recognize life safety issues and the liability of the Board. He did not know if anyone could assess the degree of liability by the definition of

terms. Raylene Ireland commented the proposal came from the Legislative Analyst's office, but questioned if it was supported by Legislature itself. Kevin Walthers commented the entire Capital Facilities Committee had reviewed the proposal and agreed there was some subjectivity involved. He noted the liability issues with having engineering firms documenting life safety issues for public document, and did not see how the Legislature recognizing how the buildings were analyzed and scored into categories would change the liability.

Raylene Ireland requested to review the categories with Risk Management and legal counsel and obtain comment. She agreed that tensions rise when catastrophic labels are placed on formal actions and she wished to consult with staff before proceeding.

Chairman Adams encouraged this course of action and hoped it would present more direction so that the attempt to categorize would be worthwhile. He hoped the policy would aid in reducing some adversary in the decisions and give the Board further definition to aid in their decisions. He suggested postponing the decision until Risk Management and legal counsel have been given time to review.

MOTION: Haze Hunter moved to postpone and ratify final action on approving the prioritization categories until August. Keith Stepan seconded the motion.

Keith Stepan suggested the Board consider Mr. Jenkins comments regarding amending the categories, as he was also unsure about listing future need as a category. He suggested the Board review the risks and prepare revisions to the categories based on those risks. He stated the original intent was to make a statement as to how the Board would respond to setting up the categories and had expanded further than the Board had originally intended.

The motion passed unanimously.

Richard Byfield suggested the agencies anticipate aiding DFCM in preparing projects for improvement consideration and presenting all of the factors and justification as to why the project is being requested for consideration. The combined factors will support the definition of categorizing the information. Agencies and institutions should understand the first rankings in terms of improvements and previously funded project, but other factors should be included as part of the analysis.

Chairman Adams requested an update on the definition of a standard building. Kenneth Nye reported DFCM is still in the process of developing a detailed definition of a standard building.

Currently a general statement is available defining project constructed in the most economical and effective manner using standardized construction materials. DFCM anticipates it will be impossible to define every type of material to be used in the building as well as every type of mechanical system.

Joe Jenkins inquired if the Board would be prioritizing projects within the prioritization categories. Kevin Walthers commented the purpose of the procedure was to reduce the annual frustrations with the incompatibilities between the Building Board and legislative lists. Mr. Walthers desired a procedure to identify projects to be addressed by the Legislature and did not believe the Legislature would perceive the process differently by prioritizing projects within the categories. The Legislature simply wanted a concise, uncomplicated process to which the merits of categorization could be made.

Joe Jenkins commented the Building Board, from a legislative perspective, only has a responsibility to assess the needs of the State of Utah and not how they are funded. The recommendation of Kevin Walthers has been for the Board to not consider the funding source and only focus on the needs of the buildings of the State of Utah. With this consideration, the Board should prioritize projects numerically and simply state the needs and allow the Legislature to determine funding sources to eliminate the conflict between the Board and the Legislature. Kevin Walthers confirmed and stated the Building Board has the opportunity to recommend general ideas for financing. It is the Building Board's purview to recommend bonding should be used to address catastrophic need projects.

Haze Hunter commented he felt it would be very informative for the Legislature to make a determination with the Building Board's explanation of why a building should be considered and definition of its ranking. Keith Stepan commented he was very supportive of the Board's action to develop a consistent process that can be carried forward throughout the future and to develop credibility with the Legislature. He thought this was very important for the Legislature to realize the reasons for establishing the categories and the rankings.

Raylene Ireland suggested if the Board contemplated forming without numerical priorities, the Board would regress politically and would dispossess their authority and strength of the recommendations. Ms. Ireland felt the numerical rankings would emphasize the documentation passionately represented to the Legislature.

Chairman Adams suggested DFCM staff develop, for consideration of the Board, a numerical matrix giving each category a numerical ranking to rank all projects across indexes to compare at the final prioritization process.

❑ **REPORT ON TILT-UP CONCRETE STRUCTURES.....**

Richard Byfield noted that DFCM has retained a consultant to provide an analysis related to the Workforce Services Building on tilt-up construction. It would be a building constructed with a brick veneer at a cost of \$3.7 million. He noted the following presentation highlighted issues on tilt-up construction methodology and a cost comparison.

Matthias Mueller offered a presentation on tilt-up construction as an effort to make the Building Board better acquainted with tilt-up construction. He introduced John DeSpain, a cost-estimating consultant and lead cost estimator for SLOC; and Jonathan Richards, a structural engineer who owns and operates Richards Consulting. He has designed numerous tilt-up concrete structures.

Mr. Mueller stated the presentation did not address aesthetics, campus or agency standards, possible adjustments in insurance premiums, unusual subsurface soil or water conditions, leasing or purchasing of existing or new tilt-up structures, or how money is distributed in a project budget. He credited the Tilt-up Concrete Association, the American Concrete Institute, the Portland Cement Association, and *Earthquake Spectra*, a professional journal on seismic safety. Local engineers, contractors, and estimators also provided assistance. He established his presentation around the question of whether tilt-up concrete is a safe, efficient, and cost-effective method of construction that the State should use in constructing its facilities.

Mr. Mueller defined tilt-up construction as: 'the technique of site-casting concrete wall panels on a horizontal surface (typically the ground floor slab of the building that is being constructed) and lifting or "tilting" the panels to their final position in a structure.' The TCA states that over 15% of all industrial buildings are tilt-up.

Tilt-up construction developed around the turn of the century. As tilt-up techniques were first used, a lifting table was built, upon which formwork was placed. The concrete was cast on the table and the table was tilted into position. Tilt-up construction is used for a variety of building types all over the world. An ideal tilt-up building would be a large warehouse with long, windowless walls as features such as windows slow down the process.

Tilt-up design involves taking a beam-column, placing it into a concrete wall that has been cast on the ground and tilting the wall into place. Because of crane capacities, buildings are typically low-rise structures. The most economical tilt-up panel would be 30' in height and around 20' in width and typically the crane is 80 tons. As soon as the panels are erected, they are braced to the floor. Critical to tilt-up construction is the erection sequence. Designers and

contractors must plan and re-plan this phase to ensure the work is performed safely and efficiently. Mr. Mueller noted seismic considerations are important to the discussion of tilt-up construction as 33% of San Fernando Valley's 1200 tilt-up structures suffered significant damage in the 1994 Northridge Earthquake. Damage included roof and exterior walls collapsed.

From 1973 to 1997, revisions to seismic provisions for tilt-up wall design were introduced into the Uniform Building Code. Mr. Mueller noted tilt-up footing and roof connections and in-plane shear have not been tested under simulated seismic loading to determine if the code revisions predict the seismic performance accurately.

Mr. Mueller compared the cost of tilt-up construction to similar construction techniques, using 8" cast-in-place structural concrete, 7.5" tilt-up wall panel, and 8" thick reinforced CMU partition as standards. He highlighted the mean cost, and the cost of several construction firms and an estimating firm. The average cost was \$13.53 per square foot for structural concrete; \$8.13 for tilt-up; and \$8.86 for CMU. DFCM previously asked Mr. DeSpain to perform a cost comparison on the soon-to-be-bid Davis County Employment Center using different skin types, including brick veneer, EIFS (epoxy insulated finish system), Tilt-up, and CMU. As designed, the building is to have a brick veneer. EIFS would be 3.08% below the cost, tilt-up would be 6.80%, and CMU would be 5.59%.

Mr. Mueller identified the advantages of tilt-up construction include eliminating the need for form work and scaffolding, fast construction cycle time, possibly lower insurance rates, a variety of possible exterior finishes, easily-expandable, and durability. Disadvantages include methods precluding any building taller than 4 stories, forgoing basements, certain architectural treatments may be too costly given tilt-up techniques, structural integrity requires careful consideration of engineering, past non-performance of connections in seismic events, and Utah's lack of availability in qualified personnel.

Mr. Mueller noted the Utah Code, Section 63A-5-206 indicates it is a primary responsibility of DFCM to ensure that state-owned facilities are life cycle cost effective. It is the recommendation of DFCM to ensure life cycle cost effectiveness. DFCM shall analyze and use the most appropriate construction system, including tilt-up, for constructing state-owned facilities.

Mr. Richards clarified no testing has been done on the panels when they have been put together and connected. Typically, most of the designers of tilt-up buildings do not connect the panels, leaving them to act as independent walls. Mr. Richards recommended repetition and conformity in the utilization of tilt-up construction and design.

Mr. Hunter mentioned a general concern about structural integrity and asked about the 33% damage rate at the Northridge Earthquake and how it compared with other buildings in the area. Mr. Richards stated other buildings had problems as well and noted it would be helpful to know how many of the damaged tilt-up buildings were early code buildings versus late code buildings. The old codes lacked stringent criteria for tying roof structure to the panel. The heavier a building, the more force it attracts, and the heavy panels pull away from the roof causing shear and roof damage. Mr. Richards stated that the connections are critical in the successful design of tilt-up structures.

Mr. Mueller mentioned the Code increased requirements for seismic safety in 1976 for tilt-up structures. According to *Earthquake Spectra*, "the performance of buildings constructed after 1976 varied considerably. Some buildings performed well with only minor cracking and no ceiling or sprinkler problems. However, those buildings that were constructed under the more stringent requirements did vary." Mr. Mueller did not investigate a comparison with standard buildings in the same area. Mr. Hunter commented that Washington County has been successfully experimenting with tilt-up construction.

Mr. Byfield mentioned tilt-up should not be viewed negatively. The Board wishes to tour a high school facility in Southern Utah to see firsthand the cost savings and techniques of tilt-up. He mentioned he would meet with Naylor Wentworth Architects, the designer of the school, to discuss the technique in further detail. As DFCM discusses standard building types, they need to be prepared to make programmatic statements to design firms, and determine appropriate buildings. As the Building Board discusses projects in their October meeting, they should discuss those projects in terms of their compatibility with tilt-up construction.

Chairman Adams encouraged the State institutions and agencies recall the tilt-up technique as they approach the Building Board with future projects. He felt the system could greatly benefit the State of Utah.

❑ ADDITIONAL ALLOCATION OF CAPITAL IMPROVEMENT FUNDS

Mr. Byfield mentioned the DDO facility became available to the Ogden/Weber ATC (OWATC) of which they were able to obtain two bays in the facility totaling approximately 88,000 square feet to house a truck driving program. DFCM prepared a cost estimate indicating the site would provide two classrooms, four offices, a simulator room, restrooms, and other needs. DFCM recommended the project proceed, but the analysis indicates the cost to renovate the entire building approaches the cost of a new structure. DFCM recommended the balance of the programmatic needs be assessed and, based on the estimates, the project be deemed a capital development project as an immediate, short-range need.

Chairman Adams introduced Brent Wallis of the OWATC to offer his perspective on the proposal. Mr. Wallis distributed a map of the DDO facility to Board members to assist with the description of the master planning of the facility.

The DDO has been a center of depot operations for the Department of Defense for many years and consists of a series of warehouses and industrial facilities. When the DDO facility was closed due to base closures, there was an opportunity for public agencies to relocate there. The master plan for DDO should accommodate 12,000 employees in manufacturing, transportation and high-technology development fields. In conjunction with the Weber School District, the OWATC applied for building 10A, which was granted to accommodate upgraded infrastructure requirements. DFCM staff identified the needs for ADA and an analysis of the most cost-efficient way to transform the facility.

Chairman Adams mentioned that the request is for \$813,712 out of improvement funds. He noted DFCM claimed the cost of renovating the existing structure would cost 60% - 70% of the new structure. Mr. Wallis commented the Weber School District is transporting their storage and warehousing facility to the remaining four bays of the facility. The partnership allows for OWATC students to have some on-the-job training experience as support for the school district. He added that growth has been great, with demand in the trucking industry exceeding OWATC's capability to train truckers. Chairman Adams asked if it would be an incompatible use for the campus activities and if DFCM should just spend the same amount of money for a training facility on the OWATC campus. Mr. Wallis replied the remote location is sensible in terms of the on-site amenities, and transferring those to the existing campus may be incompatible.

Mr. Jenkins mentioned the request should be thorough so that OWATC would not return in a few years requesting more money. He did not feel that critical needs should be addressed in a piecemeal fashion. He questioned why a new facility should not be built on the OWATC campus. Mr. Byfield replied DFCM is facing an understanding of programmatic need and where it ranks in priority in terms of capital needs. He recommended a brand new building outright to meet the need, however this would not address program needs. He acknowledged the older building contains code issues and it would be difficult to determine the real cost of the facility.

Chairman Adams suggested it might not be appropriate to spend taxpayer money considering the private sector has made great strides in making truck driving training available to Utahns.

Mr. Wallis mentioned OWATC requires the truck driving companies to help them with significant contributions in terms of making trucks and repairs available to cut down on the operational costs of the institution. The partnership has been built on the basis of the companies providing a significant amount of capital and maintenance contribution to the

trucks. The Building Board selecting this program would make available a total selection of training to the people in the area. When the program is completed, it benefits the State of Utah in terms of taxpayer return and it is a significant contribution from trucking companies and the wage contribution that makes the program worthwhile.

Chairman Adams wondered if educational facilities could coordinate to reduce redundancy in the discipline. Mr. Wallis replied OWATC is a market-driven institution and the proposed trucking facility is an attempt to respond to the market. This facility will be centrally located in an industrial development area focusing on truck driving, material handling, and custom-fit.

OWATC is not interested in renovating 88,000 square feet of the building, as that is the space of the Weber State School District. Mr. Walthers mentioned that the Legislature is examining the issues Chairman Adams discussed. They are looking at delineating the roles of statewide education institutions.

Mr. Byfield stated that occupancy for this project is expected within four to six months and DFCM would like to move quickly. DFCM is looking for issues related to truck driving only and recommended the seismic and other parts of the 88,000 square feet be addressed. Mr. Beers stated building out the full 88,000 square feet to about 60% offices and classrooms and 40% remaining warehouse would cost \$6.8 million dollars, which is 60% of the cost of a new structure costing approximately \$10.6 million. Mr. Wallis reiterated it is not the intention of OWATC to remodel 88,000 square feet and they propose to use the open area for material handling and a few classrooms to support laboratory activities.

Mr. Beers stated the cost of the renovation for the available space would be around \$20 per square foot and at that limit, it is a viable project. If additional bays are to be built, DFCM recommends OWATC come forth as a regular capital development project.

Mr. Jenkins reiterated that the relationships between education institutions need to be addressed and he expressed misgiving about voting for this. He suggested a motion to earmark the issue for another month.

MOTION: Joe Jenkins moved to table the issue for a month and to hold the appropriate funds in abeyance for that duration.

Mr. Wallis asked if the Building Board would accept a letter from the institutions regarding the investment OWATC is willing to make. It is the long-term question of how the long-term institution is to be held in abeyance in terms of future requests. He mentioned OWATC has been working on the project for over two years now, and stated the urgent need to get the project started.

Mr. Walthers stated the Legislature addressed the issue and provided operation and maintenance money for the program and assumed there would be some rooms freed up on the campus. Mr. Wallis confirmed that rooms would be freed, but they are desperately needed.

Ms. Ireland mentioned the earlier discussion on rating the criteria to move a project forward because of limiting funding is telling. The Board should assess the discussed components as well as other unfunded capital improvements to assist in understanding all the elements before the Building Board commits itself.

Keith Stepan seconded the motion.

Chairman Adams mentioned he would like the input of Kevin Walthers and the Department of Community and Economic Development on the question of the public sector providing training versus the private sector.

The motion passed unanimously.

Mr. Beers presented the Draper Site Utilities issue and stated DFCM is requesting an additional \$34,300 to be added to the project due to the cost estimate that came in higher than anticipated when DFCM made its initial recommendation for improvement funding. The money would be allocated from FY 2001 to continue a project approved last April.

MOTION: Haze Hunter moved that the Building Board allocate \$34,300 to the Department of Corrections for an addition to the Draper Site Utilities Project that was approved in April. The motion was seconded by Keith Stepan and passed unanimously.

Kenneth Nye stated the Building Board held in abeyance \$685,000 for hazardous materials to be allocated at a future date from the hazardous materials fund. At the time, DFCM was not prepared to recommend specific projects to be addressed due to the substantial amount of surveys underway, primarily in Higher Education. Four projects have been identified as critical and DFCM is asking the Building Board for allocation of the funds. The SUU Heat Plant and the Developmental Center Main Steam Distribution Tunnels are urgent needs and should be addressed as soon as possible. The Utah State University Merrill Library and Weber State University Science Lab Building are limited repairs to address the most critical problem while the future of the building is resolved.

MOTION: Joe Jenkins moved that the Building Board allocate \$287,000 of the budget reserved for asbestos abatement. The motion was seconded by Haze Hunter and passed unanimously.

Mr. Nye spoke on the redirection of capital improvement funds allocated to agriculture and noted a chiller failed at the Agriculture Building recently which was not cost-effective to repair.

MOTION: Keith Stepan moved to approve the redirection of \$7,500 for the chiller replacement at the Agricultural Building. The motion was seconded by Joe Jenkins and passed unanimously.

☐ **APPROVAL OF PROGRAMMING DESIGN AND DELEGATION OF THE HUNTSMAN CANCER INSTITUTE TO THE UNIVERSITY OF UTAH**

Randy Turpin of the University of Utah addressed the Huntsman Cancer Institute project and stated the Board of Regents approved the University's request for delegation on the HCI project. He requested to have the project delegated to the University for the reasons stated in the letter in the Building Board packet. He mentioned the University of Utah has a unique relationship with HCI and believes it is in the best interest of DFCM and the University of Utah to handle this as a delegated project. Due to the sensitivity on this project, John Huish will be the project representative with HCI.

Mr. Nye noted that this issue involves two requests. The first is delegation and the second is authorization to proceed with programming and design. The University is not requesting authorization for construction at this time due to some unresolved budget issues.

MOTION: Keith Stepan moved that the Building Board authorize the University of Utah to proceed with the design and programming only, and that they delegate the project to the University of Utah. The motion was seconded by Joe Jenkins and passed unanimously.

☐ **UNIVERSITY OF UTAH AND UTAH STATE UNIVERSITY ADMINISTRATIVE REPORTS.....**

Mr. Huish presented the administrative report for the University of Utah and noted three architecture and engineer agreements have been awarded since the last report, one of which was a furnishings design contract. The University of Utah awarded four construction contracts awarded for the period as well. Included in the report was a summary of the statewide improvement accounts, in which there has been minimal activity other than a re-roofing project.

Activity on the contingency fund, contingency reserve fund, and the project reserve funds have been minimal. The delegated project list shows the projects in different phases of work. The list is decreased to 33 projects for a total of \$114 million. Mr. Huish indicated the HCI Phase I project has now been closed out.

Chairman Adams mentioned the University of Utah was previously concerned about maintaining a general contractor with the Housing project. The Building Board decided to move forward and to bring that to a conclusion if it did not adversely impact the completion of the project. Mr. Huish did not believe any action against the contractor would cause problems. The buildings are open, and the incomplete punch-list items do not impact the ability to use the building. The University of Utah is requesting a proposal from the subcontractor, who is interested in completing the landscaping by fall semester provided a contract is signed with the University of Utah and not the general contractor.

MOTION: Haze Hunter moved to accept the administrative report from the University of Utah. The motion was seconded by Keith Stepan and passed unanimously.

Darrell Hart of Utah State University presented the administrative report and noted Utah State University has awarded a new architect and engineer agreement for the Biology and Natural Resources Building with three additional construction contracts underway. The renovation of the Technical Services Building should be complete in August and the contingency reserve report indicated allocations from that fund to different projects. Some remodeling items were listed under the contingency fund cumulative transfers. The quarterly report for statewide accounts was quite extensive and Utah State University is trying to close as many old projects as possible to get the list reduced.

MOTION: Keith Stepan moved to approve the administrative report of the Utah State University. The motion was seconded by Haze Hunter and passed unanimously.

☐ **DELEGATION TO USU OF THE LOGAN RIVER
FIRST DAM SAFETY UPGRADE.....**

Richard Byfield stated DFCM recommended Utah State University handle the safety upgrade for the First Dam, half of which Utah State University owns. Mr. Hart mentioned that Utah State University is in the process of settling with Logan City to obtain the remainder of the dam and the \$2 million would be obtained through the Division of Wildlife Resources.

MOTION: Keith Stepan moved to approve the delegation to Utah State University of the Logan River First Dam Safety Upgrade. The motion was seconded by Joe Jenkins and passed unanimously.

❑ **PROCUREMENT TASK FORCE UPDATE.....**

Joe Jenkins, Chairman of the Procurement Task Force, presented the update and cautioned the document distributed to the Building Board members is a draft document. Mr. Jenkins indicated the Task Force met for three months to come to an agreement on the recommended procurement system. A report will be distributed throughout the industry for comment and the Task Force will meet again on the August 10 to finalize a procedure to be submitted to the Building Board to begin a rule-making procedure. Mr. Jenkins praised the level of participation on the task force and stated there are some significant changes in the process.

Currently, the State of Utah has a database for performance of all contractors, subcontractors, and providers. The Task Force changed the policy to hold only general contractors responsible for overall performance on all construction projects as well as responsibility for completion, quality, timeliness, risk management and their chosen subcontractors.

Each project will have a selection committee who will participate in the selection process and make a final recommendation to the Director of DFCM. The Director will in turn make a recommendation to the Building Board, who will make a final selection. Currently, State law does not allow that to happen, however the General Contractors and A/E community would like that to be in place. The Building Board will have to determine if this is the process they wish to follow as, currently, statute provides for the Director to award contracts.

Mr. Jenkins mentioned Dr. Dean Kashiwagi's formula and barcode frightened many of the participants in the Task Force, and the recommendation is that it no longer be used. The selection will occur through a committee and the same selection procedure used for contractors will be used for A/E's. DFCM will advertise each project according to State law and DFCM will note on the advertisement that it is a performance-based construction project. DFCM will hold a registry meeting, at which they will review the scope of the project, present their dream for the project, and address the known risks, problems, and critical needs. Only those general contractors interested in submitting proposals will be required to attend the registry meeting, but anyone is invited, especially subcontractors for those trades listed in the project as 'critical.' The Task Force attempted to shift the risk and responsibility to the general contractor.

A standard performance evaluation form was developed in an attempt to mitigate the accusation of payoffs and improper reporting on prior evaluations. The Task Force agreed on a standard form with ten questions, which will be managed by DFCM staff. General contractors will submit ten references particularly those within the same management team that is bidding for the project. DFCM will randomly select three or four, and call for a performance rating. Calling references is not to be delegated to any entity outside DFCM. At the registry meeting, DFCM can add three to five project-specific questions to the general performance evaluation. The contractor will submit a sealed monetary bid based on what their best efforts and how they perceive the best and most economical approach to the project. Each general contractor will submit a management plan identifying how they intend to complete the project in a way that provides the best value to the State.

The selection committee, normally comprised of five people, will be named. The committee will be selected by DFCM, and will contain at least one member from the public and one member from the agency that will occupy the building. The management plan will be given to the committee on a blind basis, which will be graded. The selection committee will interview the management team for each general contractor and the interview will include a presentation from the management team. Those interviews will be graded without discussion among the selection committee. A five-point measuring scale has been proposed for grading. After the grades are calculated, the selection committee would open the sealed bid and evaluate the cost of the sealed bids and submit their recommendation.

Mr. Jenkins mentioned there is a concern among the building trades that there is bias in the selection process and he believed the selection committee process would remove that bias. The Building Board, as an oversight board, will have available to them the grading that took place.

Mr. Jenkins stated there was a consensus among the Task Force not to return to the low-bid policy. It is the hope to finalize the proposal on the August 10 meeting.

Mr. Byfield offered the sealed bid concern was if a contractor waited, they could not write the management plan. The contractors are willing to prepare a sealed bid and will have some time afterward to compile a management plan. Only after the management plan is read is the bid opened. He saw a significant improvement over today's policy, where management plans are not thorough and teams have not been defined. He added that DFCM has provided leadership in creating the conversation in changing procurement policy. He praised Mr. Jenkins for bringing the Task Force, comprised of a diverse group, to a consensus with positive results.

Mr. Hunter mentioned the only difference with the A/E's is Mr. Byfield will negotiate with the A/E's after the selection has been made. Mr. Byfield affirmed, stating the law provides for a discussion on qualifications. Mr. Hunter commended Mr. Jenkins for a job well accomplished and believed A/E's should be expected to comply with the same performance standards as contractors.

The definition of who will comprise the selection committee is evolving. The past habit has been to have a Building Board member, a DFCM staff member, two from the agency, and one from the general public. Mr. Byfield added that, when the advertisement is distributed, the criteria for scoring would be published at that time. The panel will be held to a standard. Everyone will know the criteria in advance.

Chairman Adams asked Mr. Jenkins how he sees the process working on a design/build project. Mr. Jenkins replied that the selection procedure would be identical. Factors go into the decision of whether a project is design/build. Timeliness or cost-constraints encourage the decision to embark on a design/build project. He implored the Building Board the proposed procurement method is one of several still available to DFCM. He believed the proposed procurement method would become more solid because it encourages performers to participate.

Mr. Turpin spoke on his perspective on the Task Force and complimented Mr. Jenkins for his work and praised an environment where the architect works with the contractor as a team. The procedure recommended by the Task Force would force non-performing contractors and architects to modify their operations if they are to be successful.

Mr. Jenkins mentioned there was a lot of concern from the major contractors, and it was ensured they had representation on the Task Force. Mr. Byfield stated that Dr. Kashiwagi would continue to provide analysis on all projects that DFCM has done so DFCM has the data however, because of the new procedure, he would no longer be retained by DFCM.

Mr. Huish asked how approval coming through the Building Board would impact project schedules and if projects would have to wait for Building Board meetings. He was given the assurance that projects would not be delayed. He believed the performance-based approach DFCM has pursued would provide a project environment that spreads service out.

Chairman Adams asked Mr. Huish if he would recommend the fee be apportioned for various aspects of the contract. Mr. Huish replied in the affirmative and suggested it could be tied in with the management plan. Rather than hiring architects on the basis of a rate schedule as has been done in the past, those fees could be tied in with components of the management

plan. However, the management plan is only going to be as effective as their ability to determine the needs and the agency's ability to convey the needs.

Mr. Byfield stated the final evaluation would influence future selections. Chairman Adams stated he would rather see a monetary incentive up front on a referral basis. When the project is completed, a final retainage payment can be made similar to the general contracting community. Mr. Byfield suggested discussing this topic with the architects and engineers council as it would be helpful for the industry to understand the stance of the Building Board and owners.

John Huish observed the scoring criteria and weighting should vary from project to project. He felt it had been a disadvantage in the past to have the same score sheet.

Darrell Hart commended the Board for their actions towards a positive process and suggested a final evaluation at the end of the project. Joe Jenkins affirmed there would be a final evaluation for each individual involved in the project for use on future projects.

Mr. Hart also commented that there was insufficient retainage held on contractors. Currently only 5% or double the punch list items can be held. The problem is by the time the punch list is determined, only 5% is available to hold. He suggested the Building Board address the issue to enable some owners leverage on projects.

Keith Stepan suggested that holding the retainage drives the performance and suggested withholding 10% as an appropriate retainage. Richard Byfield confirmed retainage could be addressed through a rule making procedure.

Kenneth Nye indicated that a few years ago the Legislature passed a law regarding retention, which only excludes small residential. The law was passed with retention of 5% and requires it be invested with the interests going to the contractor and subcontractors.

Randy Turpin indicated he did not wish for the Board to overreact on the retention issue because emotions may be based on the old low-bid experience. The experience at the University where they have had performing contractors, retention is not an issue because punch lists are minimal.

❑ BUILDING BOARD TOURS

Richard Byfield indicated the Building Board tours were scheduled for August 2 and 3, 2000. The schedule indicated the Board would conclude in Cedar City for a joint meeting with the Board of Regents. Mr. Byfield reviewed the schedule included touring the College of Eastern

Utah, Snow College, St. George and Cedar City projects. A concept of concern was raised about seeing Vernal projects. Mr. Byfield proposed finding an additional day to tour Vernal through Price and Ephraim and modify the trip to southern Utah to give the Board the opportunity to view more projects. There were a number of issues needing to be addressed before determining how to proceed, including arranging for use of the helicopter. Mr. Byfield indicated he had invited the Legislative committee and asked them to participate as their interim meetings.

Chairman Adams felt the Board had not taken the time on the sites to discuss to fully understand the problems. He felt the tours were too rushed and suggested taking the time to look at the buildings in a superficial way to identify the building and its location and then hold a thorough discussion about the circumstances so the Board fully understands the implications of the need.

Chairman Adams stated the tours would coincide with the annual meeting with the Board of Regents beginning at 12:00 on August 3. He suggested making a select committee of the Board traveling on August 1 to Vernal and discuss Vernal's needs and then proceeding with the tours as scheduled. He asked Lt. Col. Wilson to determine if the helicopters would be available for travel on August 1. Lt. Col. Wilson verified he would inquire with the aviation office to determine if the helicopters would be available and report back.

Dick Jones from the UBATC extended the invitation to Vernal and offered to assist the Board with the arrangements. The number one priority of Public Education is the secured eight acres. Mr. Jones confirmed flights were available on SkyWest if needed.

Ken Nye stated if the helicopters were available, it may be possible to start the tours on August 1 by going to Vernal and then staying in Price that evening. The tours would then continue on August 2 as previously planned. The proposed schedule provides much more time to tour and discuss projects than has occurred in the past.

Chairman Adams stated the Board would need a classroom setting at each site where they could look at schematics and review the project. Chairman Adams confirmed the Board would travel from August 1-3, 2000.

☐ **ADMINISTRATIVE REPORTS FOR DFCM.....**

Kenneth Nye asked if there were any questions of the Board regarding DFCM's administrative reports.

Alyn Lunceford commented on the particulars of having a lease agreement for Driver's License in Fillmore for only \$.60 a square foot. He stated the lease is only to cover minor remodel costs. The lease rate is low because the space is used on a limited basis and is leased from a local government that wants to facilitate to program.

Chairman Adams asked if there was an increase or decrease on the backlog of projects completed but not final. Kenneth Nye commented the backlog was decreasing as far as projects completed; however the total number of projects has increased due to the recently initiated improvement projects.

MOTION: Keith Stepan moved to approve the DFCM administrative report. The motion was seconded by Joe Jenkins and passed unanimously.

☐ OTHER BUSINESS

Richard Byfield indicated he would be out of the office for the following two weeks, but would be available through Shannon Lofgreen. Robert Woodhead will act as Director in Mr. Byfield's absence.

Richard Byfield commented Mary Flood has resigned as a Board member. Governor Leavitt will make a new appointment with the assistance and suggestion of Raylene Ireland. Outreach will be assessed during this decision to represent all geographical areas within Utah, possibly from the Uintah Basin or Cache County. Chairman Adams said it would be very helpful to have the appointed Board member attend the tours if possible. Raylene Ireland offered to discuss possible appointees with the Board and asked for considerations.

Jack Quintana reported on the capital needs assessment and stated he understood the Board's urgent objective to completely assess the process to have a fundamental, sound and positive feeling of deferred maintenance and backlog. DFCM is assessing three options including proceeding with the current process, and contracting with a private system on retention. The second option is to solicit a proposal from a private consultant to work with retired volunteers. The third option is to utilize a combination of the previous two options.

DFCM has become aware of some additional information that the three major Universities have completed assessments. DFCM is going to do a random sample to analyze how competent and useful the information is and how quickly it can be transitioned into the database. To date, DFCM has completed 16 million square feet of the existing facilities and have under contract an additional 5.5 million square feet. If DFCM finds the Universities' data

is competent, there should be approximately 29 million square feet completed by the end of the year. There is an estimated 34 million square feet which does not include the leased spaces. The leased office space totals approximately 2 million. Mr. Quintana anticipated new space would not be assessed unless it is five years old or older.

Chairman Adams noted the Board would have to approach the Governor the last part of October with their recommendations and it would be really helpful for them to be able to advise him as to where the Board stands on the process and the findings and be able to assess that data in an overview. Jack Quintana commented DFCM could assess the experience on the 20 million square feet and extrapolate out and report back.

Chairman Adams clarified 20 million has been completed or is under contract, approximately 4.5 million and anticipate to be completed by the end of the year. An estimated 13 million has been compiled by the Universities, totaling approximately 28 million by the end of the year if the Universities data is compatible. Chairman Adams asked if Mr. Quintana would be able to do an accurate statistical sample of that data by the end of October. Mr. Quintana affirmed if the Universities data is compatible. He did note however, seismic was not included in the Universities assessment, but the data could be compiled through comparing statistical information.

Chairman Adams clarified DFCM will be approximately 99% completed by the end of the year. Richard Byfield commented the infrastructure issue will still need to be addressed and DFCM is working with volunteers to fill out the remainder of the assessment report. Jack Quintana confirmed the computer model is functioning and it is just a matter of feeding the data and preparing reports. Chairman Adams requested the capital needs assessments be discussed as a regular agenda item for future meetings and requested reports be prepared to identify the new system and the data received by the middle of October.

☐ ADJOURNMENT

Motion: Haze Hunter moved to adjourn the meeting of the Utah State Building Board. The motion was seconded by Keith Stepan and passed unanimously.

The meeting adjourned at 12:45pm.

Minutes prepared by Shannon Lofgreen.

